



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 19, 2005

### **H.R. 972** **Trafficking Victims Protection Reauthorization Act of 2005**

*As ordered reported by the House Committee on International Relations  
on October 7, 2005*

#### **SUMMARY**

H.R. 972 would reauthorize several programs within the Departments of State, Labor, Justice, and Health and Human Services, and within other agencies that combat trafficking in persons. The bill would specifically authorize the appropriation of \$147 million in 2006 and \$132 million in 2007. In addition, CBO estimates that the Department of Justice would need \$15 million in additional appropriations annually to implement a new grant program. In total, CBO estimates that implementing the bill would cost \$59 million in 2006 and \$313 million over the 2006-2010 period, assuming appropriation of the necessary amounts. The bill also contains provisions that would affect direct spending and revenues, but CBO estimates these provisions would not have a significant effect.

H.R. 972 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA); however, CBO estimates that the cost of the mandate would not be significant and would be well below the threshold established in that act (\$62 million in 2005, adjusted for inflation). Other provisions of the bill would provide grant assistance to state, local, and tribal governments for programs benefitting victims of trafficking crimes. This bill contains no new private-sector mandates as defined in UMRA.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 972 is shown in the following table. The costs of this legislation fall within budget functions 150 (international affairs), 500 (education, training, employment, and social services), 550 (health), and 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars				
	2006	2007	2008	2009	2010
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION<sup>a,b</sup></b>					
Overseas Assistance					
Authorization Level	63	63	0	0	0
Estimated Outlays	9	34	37	22	10
Department of Justice					
Estimated Authorization Level	63	48	15	15	15
Estimated Outlays	33	35	22	20	19
Department of Health and Human Services					
Authorization Level	20	20	0	0	0
Estimated Outlays	6	14	13	5	1
Department of Labor					
Authorization Level	10	10	0	0	0
Estimated Outlays	7	9	3	1	*
Department of State					
Authorization Level	6	6	0	0	0
Estimated Outlays	5	5	1	*	*
Total					
Estimated Authorization Level	162	147	15	15	15
Estimated Outlays	59	97	76	49	31

NOTE: \* = less than \$500,000.

- a. In addition to effects on spending subject to appropriation, CBO estimates enacting H.R. 972 would have an insignificant effect on direct spending and receipts.
- b. Five-year costs in text and totals in the table differ slightly from a summation of the annual costs shown here because of rounding.

## BASIS OF ESTIMATE

### Spending Subject to Appropriation

For purposes of this estimate, CBO assumes that this legislation will be enacted before the end of calendar year 2005, that the specified and estimated authorization amounts will be appropriated near the start of each fiscal year, and that outlays will follow historical spending patterns for existing and similar programs. The bill would specifically authorize the

appropriation of \$147 million in 2006 and \$132 million in 2007. In addition, CBO estimates that the Department of Justice would need \$15 million in additional appropriations annually to implement a new grant program. In total, CBO estimates that implementing this legislation would cost \$59 million in 2006 and \$313 million over the 2006-2010 period, assuming appropriation of the necessary amounts.

**Overseas Assistance.** The bill would authorize the appropriation of \$30 million a year for 2006 and 2007 to the Secretary of State and \$30 million a year to the President in those same years for programs to prevent trafficking in persons, to protect victims of trafficking, and to assist foreign states in meeting minimum standards for the elimination of trafficking. In addition, the bill would authorize \$300,000 a year in 2006 and 2007 for research on domestic and international trafficking in persons. Finally, the bill would authorize the appropriation of \$2.5 million a year for 2006 and 2007 to the U.S. Agency for International Development to establish residential treatment facilities in foreign countries that would treat the victims of trafficking. CBO estimates that implementing these provisions would cost \$9 million in 2006 and \$113 million over the 2006-2010 period, assuming appropriation of the necessary amounts.

**Department of Justice.** H.R. 972 would authorize the appropriation of:

- \$15 million a year for fiscal years 2006 and 2007 for the Attorney General to make grants to states, localities, and nonprofit organizations to establish or expand service programs for victims of trafficking;
- \$15 million for fiscal year 2006 for the Federal Bureau of Investigation to investigate severe forms of trafficking in persons;
- \$18 million a year for fiscal years 2006 and 2007 for the Bureau of Immigration and Customs Enforcement in the Department of Homeland Security to investigate severe forms of trafficking in persons; and
- \$250,000 a year for fiscal years 2006 and 2007 for the Attorney General and the Secretary of State to train law enforcement officers, prosecutors, and judges and their staff with respect to cases involving trafficking in persons.

In addition, section 204 would permit the Attorney General to make grants to state and local law enforcement agencies to develop or expand programs to investigate and prosecute certain acts of trafficking in persons that involve U.S. citizens or permanent U.S. residents. Based

on the funding levels that H.R. 972 would provide for similar activities, CBO estimates that the agency would need appropriations of \$15 million annually to implement this grant program.

**Department of Health and Human Services.** H.R. 972 would authorize the appropriation of \$15 million a year for fiscal years 2006 and 2007 to the Department of Health and Human Services for the purpose of identifying victims of trafficking. In addition, section 203 would authorize the appropriation of \$5 million a year for fiscal years 2006 and 2007 to carry out a pilot program to establish residential treatment facilities for juvenile victims of trafficking.

**Department of Labor.** H.R. 972 would authorize the appropriation of \$10 million a year for fiscal years 2006 and 2007 to the Department of Labor to carry out responsibilities under the Trafficking Victims Protection Act, including additional activities to monitor and combat forced labor and child labor in foreign countries.

**Department of State.** The bill would authorize the appropriation of \$5.5 million a year for fiscal years 2006 and 2007 for the Interagency Task Force to coordinate the implementation of the Trafficking Victims Protection Act.

## **Direct Spending and Revenues**

**Criminal Fines and Seizure of Assets.** Section 103 would establish a new federal crime for trafficking in persons committed by individuals employed by the federal government or accompanying federal employees when outside of the United States. Thus, the government could pursue new cases related to trafficking. Because those prosecuted and convicted under H.R. 972 could be subject to criminal fines, the federal government might collect additional fines if the bill is enacted. Collections of such fines are recorded in the budget as revenues, which are deposited in the Crime Victims Fund and later spent. CBO expects that any additional revenues and direct spending would not be significant.

Persons prosecuted and convicted under the bill also could be subject to the seizure of certain assets by the federal government. Proceeds from the sale of such assets would be deposited into the Assets Forfeiture Fund and spent from that fund, mostly in the same year. Thus, enacting H.R. 972 could increase both revenues deposited into the fund and direct spending from the fund. However, CBO estimates that any increased revenues or spending would be negligible.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 972 contains an intergovernmental mandate as defined in UMRA because it would require courts to order the property of convicted traffickers be forfeited to the federal government. This provision would preempt state laws and could result in the loss of forfeited properties for those governments. Because the number of trafficking cases prosecuted under state law is small, however, CBO estimates any such loss to state governments would not be significant and would be well below the threshold established in that act (\$62 million in 2005, adjusted for inflation). This bill contains no new private-sector mandates as defined in UMRA.

### **ESTIMATE PREPARED BY:**

#### Federal Costs:

Overseas Assistance: Sam Papenfuss

Department of Justice: Mark Grabowicz

Department of Health and Human Services: Matthew Kapuscinski

Department of Labor: Christina Hawley Sadoti

Department of State: Sunita D'Monte

Impact on State, Local, and Tribal Governments: Melissa Merrell

Impact on the Private Sector: Paige Piper/Bach

### **ESTIMATE APPROVED BY:**

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis